

# SENATE BILL REPORT

## HB 1303

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As of March 10, 2011

**Title:** An act relating to the insurance commissioner's authority to review and disapprove rates for certain insurance products.

**Brief Description:** Concerning the insurance commissioner's authority to review and disapprove rates for certain insurance products.

**Sponsors:** Representatives Jinkins, Kelley, Van De Wege, Liias and Reykdal; by request of Insurance Commissioner.

**Brief History:** Passed House: 2/22/11, 93-1.

**Committee Activity:** Health & Long-Term Care: 3/10/11.

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** The Office of Insurance Commissioner (OIC) has the authority to regulate insurance companies offering health insurance products in Washington State. The OIC has authority to review insurance rates for the individual and small group products, and may disapprove rates if they are unreasonable in relation to the benefits offered. Legislation passed in 2008 providing the OIC the authority to review and disapprove rate filings for the individual health plans included a sunset and expires on January 1, 2012.

**Summary of Bill:** The expiration date on the OIC's authority to review and disapprove individual market rates is repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: It is important for consumers that the Insurance Commissioner continue to review individual insurance policies. It is also

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important to maintain state control over rate review since the federal Patient Protection and Affordable Care Act will have the federal government do the rate review if state's don't maintain the responsibility. It is important that consumers have someone looking at the rates to ensure the rates offered are in line with the benefits offered. It is important for consumers over 50, not yet eligible for Medicare, since they have a very hard time finding reasonably priced products, and they want the assurance that someone has the authority to deny rate increases that are not justified.

**Persons Testifying:** PRO: Representative Jinkins, prime sponsor; Drew Bouton, OIC; Steve Breaux, Washington Public Interest Research Group; Peggy Quan, AARP.